demand for reducing workload. The conclusion is that 68 per cent of the disputes in 1966 had little to do with economic recession in industry. More than two-thirds of disputes that is to say, were not for economic reasons as is frequently made out. Most labour conflicts have no bigger issues beneath them but injured feelings, freyed tempers, misunderstandings. They could as well have been prevented had there been an effctive grievance machinery in the industrial establishments in which they arose.

The Labour Department generally handles industrial disputes *after* a grievance becomes a dispute; the purpose of the grievance machinery is on the other hand to prevent a grievance becoming **a dispute,** to do something *before.* Steps will, therefore, be taken to make the grievance procedure truely effective.. So far it has not been effective at all. As a matter of fact, only an insignificant number of industrial establishments had set up what could be called a grievance procedure. The Government hitherto paid little attention to this important method of improving industrial relations; and there is little evidence that its importance had been recognised. This Government will insist that all industrial establishments organise a grievance machinery.

The analysis of how the disputes themselves were handled by the conciliation officers, and the time taken by them and the Labour Courts in promoting settlement, indicate that a review into their working is perhaps, required. The number of disputes settled by conciliation in 1966 were only 15.3 per cent; in 1965, they were a little less than 14-8 per cent. 19 per cent of the disputes settled in 1966 by conciliation took between three and six months, 16 per cent took between six and twelve months, and 4 per cent took over twelve months before they could be settled. The rather low percentage of disputes in which the employer and the employees were reconciled by the conciliation officers as much as the long time taken by them will be reviewed. There has unfortunately been a steady decline in the number of disputes resolved by informal arbitration. Where arbitration was suggested as a way out to the parties by the conciliation officers, but was rejected, nearly 67 per cent was by the management. Only in 5½ per cent of cases did the employees turn down informal arbitration. In other words, if this very desirable method of settling disputes was rejected, it was by the employer, and not by the employee. When this was put to the representatives of the employers who had attended a meeting called by me at Madras on June 15, 1967, their argument was that arbitration must have been negatived because the issues perhaps involved high financial demands. This is not quite true. For among the cases where arbitration was accepted are included disputes relating not only to discharge and dismissal, but also issues involving large financial commitments, such as higher wages, dearness allowance and bonus, etc. So far no specific analysis was undertaken to find out why did the employers not find informal arbitration an acceptable